

Division of Family and Children Services Administrative Policies and Procedures Manual	Section: Financial Information Part: 2005 Page: 1 of 13 Date: September 2013
Title: Cash Disbursements	

DISBURSEMENT OVERVIEW

- A. The regional accounting office is responsible for analyzing invoices and reviewing all source documents for accuracy.
- B. Monitoring invoices for compliance with applicable federal, state, and local policy and procedures are duties of the regional accounting office.
- C. An Internal Control Policy must be in place that specifies the storage and safeguarding of checks, accounting records, signature dyes, etc. The duties and responsibilities of personnel involved in the various accounting functions; such as preparing checks, signing checks, reconciling bank statements, and handling cash receipts should be separated and specified in the Internal Control Plan.
- D. Disbursements are **not** to be made unless funds are budgeted and approved for such payment and the accounting office has been presented with an **original** invoice and appropriate source documents which have been reviewed, approved, and determined to be correct.

NOTE: Effective FY2014, Adoption and Relative Care ongoing monthly subsidy payments will be processed using the approved EXCEL (Adoption Assistance and Relative Care Per Diem Reports) received via email. **The caseworker should review (add, delete, or change information) and initial by each case on the EXCEL report and return the EXCEL document to their supervisor who will do a final review and email to Region Accounting by the last working day of the month.** This will serve in lieu of the two signature requirement. The original source document will be maintained at the DFCS county office.

SIGNATURE APPROVALS: Regular Operating invoices require only one DFCS ORIGINAL signature; all Direct Benefit Programs invoices require two DFCS ORIGINAL signatures, with the exception of Foster Care, Relative Care and Adoption Assistance. Signature approvals will need to be clearly defined in the Internal Control Plan for each DFCS county.

NOTE: For a complete listing of appropriate source documents, please refer to the Internal Control Policy, Control of Cash Disbursement.

NOTE: As vendors move into a paperless system they will no longer send invoices through the mail therefore the county will have to print the invoice from the vendor's internet site or from email. The invoice printed from the internet or email will have to serve as the ORIGINAL. As vendors go paperless, the county needs to notify the Regional Accounting office so that they are aware of the change.

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Printing, coding, approving and attaching appropriate source documents to the invoices is the responsibility of the DFCS county staff. Any invoices submitted to Regional Accounting for payment that do not have the appropriate source documents or signatures will be returned to the County DFCS office for corrections.

- E. Source documents for payment may include an original vendor's invoice or an approved check request form with original receipts attached. If the check is required in advance, then the employee will be required to obtain the receipts and submit to the regional accounting office within 15 days after issuance of check.

NOTE: Effective FY2014, Adoption and Relative Care ongoing monthly subsidy payments will be processed using the approved EXCEL (Adoption Assistance and Relative Care Per Diem Reports) received via email. **The caseworker should review (add, delete, or change information) and initial by each case on the EXCEL report and return the EXCEL document to their supervisor who will do a final review and email to Region Accounting by the last working day of the month.** This will serve in lieu of the two signature requirement. The original source document will be maintained at the DFCS county office.

NOTE: The purpose of requiring original invoices and receipts is to avoid processing duplicate payments.

- F. Vendor statements or faxed invoices will not be accepted. In the event that an original invoice cannot be produced the procedure below must be followed. Accounting staff should check all sources to determine that payment has not been made before processing the check.

Note: In the event a vendor cannot provide an original invoice then a photocopy of the invoice should be sent with the following statement written on the face of the invoice "THIS IS A CERTIFIED COPY OF THE ORIGINAL INVOICE" and it should be signed by an employee of the vendor.

Note: Invoices that are over 60 days old should ALWAYS be researched first to ensure that the invoice has not already been paid.

- G. Invoices for supplies, signed receiving reports, packing lists and completed Purchase Order should be reviewed, coded and signed by the county DFCS office before submitting to regional accounting for payment.

NOTE: If the purchase order has a description "see attached list or invoice" you must provide the reviewed and approved itemized invoice, receiving report, and/or packing slip to validate the purchases.

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- H. Sales Tax – If a vendor charges sales tax on an invoice or purchase that is being paid with Grant-in-Aid Funds, this charge should be removed from the total amount of the invoice before the payment is made

NOTE: If the vendor charges you sales tax, the regional accounting office should mark through the sales tax and initial it to indicate that it will not be paid. A sales tax exemption form should be submitted with payment to support the removal of this charge from the invoice.

NOTE: All employees who hold a state of Georgia P-Card should carry a State of Georgia Sales Tax Exemption Certificate with them at all times when making purchases in order to ensure the vendor does not charge tax. However, if sales tax is charged on a P-Card purchase for an item or items that is sales tax exempt, the person making the purchase needs to have the vendor completely VOID the original receipt and issue a corrected receipt.

- I. Freight/Shipping & Handling Charges – If the county fails to negotiate the freight/shipping & handling charges when an order is placed, the county will be responsible for paying this expense out of their Other Operating – Administration (627.106) Grant-in-Aid budgeted funds or their Other Operating – County (627.450) County budgeted funds.
- J. Invoices, Authorization for Disbursement/Purchase Order Request (ADPOR), travel vouchers, employability screens (SUCCESS), Service Authorizations and Authorization for Restricted Funds (Form 750) must be approved for payment by the director or their designee.

ADPORs or CHECK REQUEST are not required for payment as long as they have an original invoice, the invoice has been coded with the correct Program and Entitlement Codes and all source documents have the appropriate approval signatures.

NOTE: If documented in the Internal Control Plan, invoices for regular operating cost such as utilities, telecom, leases, and copier/postage rental may be sent directly to the regional accounting offices for processing to avoid any mail delays and/or possible late fees.

ADPORs will be required for hotel/motel advances; building rent, if a monthly invoice is not provided; advance checks for board members; and any other payments that do not have a vendor generated invoice.

NOTE: For vendors that have a contract, and may not provide a monthly invoice, a copy of the Purchase Order may be substituted in lieu of an ADPOR.

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- K. To insure that all information is on an invoice when sent to Regional Accounting for payment, it is recommended that each county invest in a rubber stamp with the following information:
- County name and number (pre-printed on the stamp)
 - Approved for Payment (pre-printed on the stamp)
 - By: _____
 - Date: _____
 - Account #: _____
 - Purchase Order #: _____

Before sending source documents to Regional Accounting for payments, please review each package for the following:

- **ORIGINAL SIGNATURES** by an approved DFCS employee or designee. Signatures from the vendors are NOT mandatory, they can be typed, stamped, or signed
- Signature Stamps for DFCS employee or designee are not acceptable.
- **Initials are not acceptable.**
If the signature is not legible the name should be printed underneath the signature.
- One signature on regular operating invoices and two signatures on all Direct Benefit Program invoices, **with the exception of Foster Care, Relative Care and Adoption Assistance.**
- All documents; including Invoices, Purchase Orders, Service Authorizations, and Receipts, being sent in the invoice package to the regional accounting office for processing must be approved. (Travel Logs must be attached to the invoice package, but do not require DFCS approval)

NOTE: SHINES generated Service Authorizations do not have to be physically signed as they are approved through the SHINES computer system.

The regional accounting office is responsible for verifying that all invoices have the proper SCOA code, have been checked for mathematical accuracy and have been approved for payment.

- L. Checks are issued daily.
- M. All invoices are to be date-stamped when received in the county office.
- N. All invoices are to be date-stamped when received in the regional accounting office.

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- O. All invoices/checks request are processed and mailed within 5 working days after received in Regional Accounting.

Exceptions: All invoices that are not completed, coded, and approved may have to be returned to the county and will therefore require additional time for processing.

NOTE: The 5 day turnaround for SHINES invoices will start on the first working day of the month or date received whichever is later since the invoices are only generated on the first of the month.

- P. Checks are made payable and mailed to the payee on the invoice or source document. If a check is to be picked up by vendor/client, these will need to be returned to the county office and should be clearly indicated on the source document.

- Q. If checks are returned to the DFCS office as undeliverable or the client never picks up the check at the DFCS office, they should be returned to accounting within 90 days of issuance to be voided.

- R. All checks are populated onto the new blank check stock as they are printed. The physical check and the top stub should be sent to the vendor, and the bottom stub should be attached to the invoice for validation of payment.

- S. All Disbursements for DFCS are to be made by the regional accounting office and are processed on the SMILE Automated Accounting System. Checks are written from the following modules:

- General Ledger
- Purchase Order
- Travel
- Payroll
- Child Welfare – Restricted Fund

Note: NO Hand drawn/manual checks are allowed.

- T. Utility payments, telecommunications, payroll deductions, and board members per diem are some of the disbursements made from the General Ledger page.

1. Directors can designate in their Internal Control Plan that utility and telecommunications bills are sent directly to the regional accounting office and approved for payment by the Fiscal Operations Manager or their designee.

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2. Payroll deductions are completed by the Payroll Processing Hubs within the regional accounting offices.

- U. Disbursements made from the purchase order module are for transactions that require a purchase order, exception is all Direct Benefit Programs must be paid directly from the Child Welfare Module.
- V. If the county has a contract with a vendor, a copy of the contract is to be sent to the Regional Accounting office who will prepare the purchase order at the beginning of the contract or the Fiscal Year. All contracts require a Contract Number which is our purchase order number, so even if the contract amount is “0.00”, a purchase order must be completed. This will insure that payments are made correctly and that the contract information is entered into SHINES so that county staff can complete their Service Authorizations timely and accurately.
- W. Travel disbursements instructions are included in Travel Policy and Procedures.
- X. Payroll disbursements instructions are included in Payroll Policy and Procedures.
- Y. Child Welfare – Restricted Funds disbursements instructions are included in Direct Benefits Policy and Procedures.
- Z. SHINES procedures are addressed in Direct Benefits Policy and Procedures.

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OTHER REGULAR OPERATING TYPE DISBURSEMENT

- A. Advance payments are not encouraged but sometimes are unpreventable. Examples of circumstances that an advance payment may be necessary are: vendors requiring prepayment, employee attending training, and foster parents. The vendor should be informed that an original invoice is required even though payment has been made. It is the responsibility of the county office to follow up with the vendor to obtain the original invoice. The original invoice should be in the Regional Accounting Office no later than fifteen (15) working days after issuance of the check.
- B. If the County Commission does not give the county discretionary spending authority, any request to pay for unusual type expenditures from County Funds should be approved by the County Board and a copy of the minutes attached as backup to the request.
- C. Board Member Expenses – Board members are to complete the Bill for Services Rendered Form 5357 to report their per diem and allowable travel expenses.

- 1. \$15.00 per meeting (maximum of 12 per fiscal year) is all that can be paid out of Grant-in-Aid funds (651.106). If the county chooses to pay a higher per diem for the monthly board meetings, this must be paid from county money (651.450).

NOTE: County Board Members may also be employees of other state affiliated agencies, but as long as they are not a DFCS employee, they are entitled to be reimbursed for attendance at the monthly board meeting. If they are on the clock while in attendance, they would need to check with their state agency to determine if the funds are to be turned in to offset their salary, or if they are allowed to keep the per diem compensation.

NOTE: Board members must complete a Form W-9 and depending on how much per diem compensation they are paid in a year may be subject to receive a 1099.

- 2. Reimbursement for mileage and meals related to board meeting and conferences should be reimbursed from County Funds, but may be reimbursed from Grant-in-Aid funds if the county does not have any County Funds available. Board members should send their 5357 forms to the counties for reimbursement within 15 days after the conference is completed, according to DFCS travel policy.
- 3. Board members may request a check for their hotel be issued in advance.

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4. GCWA attendance for board members should be paid from County money, but may be paid from Grant-in-Aid funds if the county does not have any County Funds available.
- D. Bottled Water – If the county chooses to provide bottled drinking water for the staff, unless they have a written waiver from their local health department that the tap water is dangerous for consumption, this expense must be paid from Other Operating – County (627.450) or the board must approve it to be paid from a specifically designated Restricted Fund account.
- E. Business Reply Mail – The receipt for your Business Reply Mail Permit #13034 will be sent to you each year from the state office, and the county will need to deliver a copy of the receipt to their local Post Office.

NOTE: Accounting Office – If the letter that comes with the Business Reply Mail Permit receipt is sent to the accounting department along with an ADPOR, request for payment, please return it to the county along with a notation that this is not an invoice. Tell them to submit their Business Reply Mail Permit to the Post Office and if they are told that the funds in their postage due account is low, they should pay those additional charges only otherwise, just provide a copy of the Business Reply Mail Permit only.

- F. Car Seats – If a car seat is purchased for the caseworkers to use in daily transportation of children or is bought with an employee's P-Card or bought with a state agency check, this is charged to Other Operating – Administration (627.106)
- G. Cellular Phones on Statewide Contract – Effective July 1, 2009, the state office will prorate the contracted cellular telephone services according to the numbers and types of phones each county maintains. These charges will be identified and deducted from each region's GIA remittance report by county. The Regional Accounting office will post the cost of the cellular phones by county so that each county can monitor their expenditures.

NOTE: County DFCS – Please monitor these invoices to ensure you are only being charged for staff in your counties.

- H. Copiers Related Expenses
1. Additional Copy Cost - If the county uses more than their allotted number of copies according to the contract they have signed, the overage charge is to be paid from the Supply Account (614.106).

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2. Ad Valorem Tax - If the county is assessed with an ad valorem tax due to the fact that they signed the vendor's contract instead of using the state's contract, this tax is to be paid from their Other Operating – County Account (627.450).

I. Discount terms (2% 10 days, etc) offered by vendors for prompt payment are a consideration in the awarding of purchase authorizations **and should be deducted from the gross amount of the invoice when processing for payment.**

J. Fingerprinting expenses for employees or interns should be paid from Other Operating Account (627.106), a purchase order is required.

K. Garbage Pickup and Lawn Maintenance – Should be charged to Janitorial Service Contracts (715.106).

NOTE: If garbage pickup is not provided by the city or county, the agency will need to issue a purchase order. If the yearly cost will be more than \$25,000, you need a contract with the vendor.

L. GCWA Annual Conference Attendance for County staff, field directors, consultants, and board members must be paid from county funds.

NOTE: Any GCWA Conferences or Board Meetings for employee expenditures should be paid from County Funds (627.450 – Registration) or (640.450 – Travel Related cost for Meals, Hotels, and Mileage).

M. Gift Cards – The use of gift cards is allowed. Please follow the TANF Gift/Gas Card Policy located on the Fiscal Website for complete instructions.

N. Internal Revenue Service Tax Levies – If you receive a Tax Levy on a vendor, everything that you currently owe the vendor is to be remitted to the IRS. Unless the Tax Levy states otherwise, it is a one time deduction. If the IRS wants you to deduct more money, they will send you another Tax Levy. Please be sure that all forms are submitted to the appropriate parties according to the Tax Levy instructions.

O. Charges incurred for Statewide approved Interpreters and Language Line Services should be paid from Contracts Account (653.103 or 653.106) based on the type of services being performed. An executed contract and purchase order is required. Interpreter fees are paid from a counties' Regular Operations Budget, as of Fiscal Year 2009. No additional budget will be available for these expenditures.

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NOTE: Please be sure and remember to only use the approved providers from the Statewide Contract List unless you have received special permission from the state office.

NOTE: Language Line Services contract with DHS is to provide interpretation services at the cost of \$1.10 per minute, the special DHS rate. Contact **LEP/SI Program Director**, for assistance in establishing a contract with this vendor.

NOTE: If you must use a provider that is not on the statewide contract list because there is no one with the skills that are needed in the area and the state office has approved this, then it is acceptable to use them and charge the expenditure to Per Diem Account 651.106.

- P. Local Organization Membership Fees must be requested by the DFCS county office on the appropriate membership form. This form must be submitted to the Director of Fiscal Services' office for approval prior to requesting payment. A purchase order is required. These fees may be paid from state or county funds.
- Q. Reimbursement for lost or damaged equipment, due to negligence on the employee's part, whether it is for a cell phone, computer, or office furniture should be recouped from the employee's payroll check, travel check, or a personal check before the equipment is replaced. Determination of negligence on the employee's part or if it was an accident while performing their duties is a decision that will have to be made by the county director or regional director. These funds should be posted to Due from Others – Employees (127.148). Once the funds have been recouped, contact BTIU Logistics Manager from IT to have the computer replaced and Telecommunications Specialist from IT to have the cellular phone replaced.
- R. Notary expenditures can be paid from Program 106 if reimbursed with state funds or Program 450 if reimbursed with county funds
Notary Fee (renewed every four years) – Account 627.106 or 627.450
Cost of Crimper (seal) – Account 614.106 or 614.450
Cost of Rubber Stamp – Account 614.106 or 614.450
- S. Number of Notaries allowed per County office. Due to an increase in the cost of the notary fee, counties can use state funds for one notary per DFCS office. Any additional notary cost will have to be paid from county funds.
- T. It is acceptable at the first of each month to issue a monthly Open/Blanket Purchase Orders for Staples, Office Max, Enterprise Rental, Enterprise Rental Gas Card, and Bank of America, by county.

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1. A county employee will prepare an ADPOR at the first of the month requesting the PO and an approximate amount of how much they expect to spend.
2. The county or region accounting office will prepare the PO which will be good for one month. Each time the county makes a purchase; they will code the invoice and attach it to the PO.
3. At the end of the month, they will send the PO, receiving report and original invoices attached to the regional accounting office for payment.
4. Accounting will add a new detail page for each invoice to separate the charges, and then process for payment.

NOTE: A Purchase Order will be issued at the first of each fiscal year, by regional accounting, so that the Contract will have a Contract Number. However, all Child Welfare program expenditures are to be paid from the Child Welfare module.

NOTE: Purchase Orders issued for commodity type items for the Eligibility Programs for purchases such as car repairs, clothing, eye glasses, etc., should be signed and attached to the invoices when submitted for payment. Although the payments will be made from the Child Welfare module, it is the responsibility of the accounting department to update the Purchase Order with the actual amount expended, check number and date paid.

- U. Partial shipment does not preclude the accounting office from making a partial payment on the invoice as long as proper paper work and approval is given to the accounting office.
- V. Pest Control Expenses should be paid from Maintenance – Administration (615.106). A purchase order is required. If your contract will exceed \$25,000, a contract will be needed with the vendor.
- W. Petty cash reimbursements are made when an ADPOR is submitted requesting a check. (See procedures). All checks are to be made payable to the employee who has been assigned the responsibility of Petty Cash Custodian. This must be in writing.

NOTE: All petty cash purchases are to be made from CASH, not someone's debit/credit card.

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- X. Postage Meter Related Expenses
Ad Valorem Cost - If the county is assessed with an ad valorem tax due to the fact that they signed the vendor's contract instead of using the state's contract, this tax is to be paid from their Other Operating – County Account (627.450).
- Y. Post Office Box Rentals should be paid from Rents other than Real Estate (619.106). A purchase order is required.
- Z. Printing Related Expenses should be charged to Publications and Printing – Administration (618.106). A purchase order is required.
- Letterhead
 - Return address envelope
 - Business Cards
 - Annual Reports
- AA. Safety Deposit Box Rentals should be paid from Rents other than Real Estate (619.106). A purchase order is required.
- BB. Security Alarm System Expenses if billed through your Telecommunications Bill would be paid from Telecommunications-Administration (673.106).
- CC. Security Alarm System Expenses if billed by individual vendor should be paid from Contracts – Administration (653.106) A contract is required if the amount will be greater than \$25,000.
- DD. Shred Services Expenses if used on an as needed basis should be paid from Other Operating – Administration (627.106). A purchase order is required.
- EE. Shred Services Expenses if used monthly should be paid from Contracts – Administration (653.106) A contract is required. A contract is required if the amount will be greater than \$25,000.
- FF. Storage Buildings/Facilities – The cost of additional storage buildings/facilities should be paid from Building Rent – Administration (648.106).

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Procedures

Prior to sending the invoice to Accounting for payment, the County should do the following:

1. Obtain original invoice from vendor
2. Invoice should be checked for accuracy in County office
3. Purchase order attached with total cost, **correct SCOA** number, and receiving section of Purchase Order completed
4. A signed receiving report or packing slip should be attached
5. All supporting documentation listed above must be approved for payment with legible signatures of appropriate staff (initials not allowed)
6. Submit to Regional Accounting with batch sheet

After receiving the invoice, Accounting should do the following:

1. Check and be sure invoice is original
2. Check for appropriate signature
3. Check invoice for accuracy
4. Check invoice to purchase order for accuracy including vendor and appropriate signatures
5. Check receiving report for accuracy and signature
6. Check budget for appropriate funds
7. Check invoice for terms if discount is offered deduct from payment
8. Enter information into automated accounting system to process check
9. Give supporting documentation to accounting clerk and any information that is to be returned to the vendor with check.
10. Accounting clerk should process check by mailing original check, attach copy of check to all supporting documentation and file check copy numerically.